

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS TEGUCIGALPA 000366

SIPDIS

STATE FOR EB/IFD, WHA/EPSC, AND WHA/CEN
TREASURY FOR DDOUGLASS, RWARFIELD
STATE PASS AID FOR LAC/CAM

E.O. 12958: N/A

TAGS: EFIN ECON KCOR ETRD PGOV PINR KMCA KJUS HO

SUBJECT: HONDURAS: POST SUPPORTS CUSTOMS SERVICE REQUEST
FOR TECHNICAL ASSISTANCE TO IMPLEMENT CAFTA, FIGHT
CORRUPTION

¶1. This is an action request; please see para 3.

¶2. On February 10, Post received a written request, dated January 31, 2005, from Customs Director Arquimedez Jimenez for technical assistance to improve various facets of the Honduran Customs Service. Jimenez specifically cites CAFTA implementation and anti-corruption as key motives for his request. In addition, the U.S. Treasury Office of Technical Assistance is engaged with the Honduran tax authority (the DEI, home also to the Customs Service) in an overall reorganization and improvement program. Jimenez's technical assistance request would help him to take maximum advantage of this reorganization to improve customs efficiency and to reduce evasion, fraud, and corruption. An informal translation of his request follows in para 4.

¶3. Action request and comment: Post requests that appropriate agencies, including but not limited to State, Treasury, USTR, DHS, and USAID give full consideration to Jimenez's request, with a view toward identifying resources and providing appropriate technical assistance as soon as possible. This request is timely, as it leverages existing momentum within the GOH to reform and restructure the Customs and Tax services. Assistance of the kind identified in Jimenez's request would facilitate CAFTA implementation and assist in cracking down on corruption -- each of which has been identified as a top priority for U.S. foreign policy in Honduras. Improving the Honduran Customs Service's capacity to analyze trends, derive intelligence, and manage risk also directly supports key USG efforts to combat the flow of illicit drugs, fight money laundering and the financing of criminal or terrorist groups (both through over/under invoicing and smuggling activities), and improve the overall security and safety of maritime traffic. Improving customs service responsiveness and accountability falls clearly within the original intent of the USG's Trade Capacity Building program, and Post strongly supports identification of TCB funds to provide the requested TA as soon as possible. Given its immediate benefit to law enforcement operations, Post encourages agencies with funds for border security enhancement to consider how they too could facilitate or support the requested training.

¶4. Informal translation of January 31 letter:

Begin text.

((Complimentary opening))

The Executive Revenue Directorate, aware of its responsibilities and obligations, as well as the benefits that subscribing to the U.S.-Central American Free Trade Agreement (CAFTA) would bring to our country, under the obligation to seek out mechanisms that would permit the implementation of that Agreement and the facilitation of trade with dynamic customs controls, and with the goal of improving our knowledge and capacity in this regard; therefore allow me to request of the U.S. Embassy ... that you provide to the employees and officers of this institution training in regards to those subjects referred to in CAFTA, specifically in the areas of:

- Risk Management
- Rules of Origin
- Electronic Certification of Origin
- Procedures to speed-up express delivery
- Customs Audits and Verification
- Other trade facilitation measures
- Measures to combat contraband and customs fraud

((Complimentary close))

End text.

Pierce
Pierce